

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Priority Mail and Priority Mail Open and Distribute
Negotiated Service Agreement

Docket No. CP2019-168

PUBLIC REPRESENTATIVE COMMENTS ON
POSTAL SERVICE REQUEST TO ADD PRIORITY MAIL OPEN AND DISTRIBUTE
CONTRACT 533 TO THE COMPETITIVE PRODUCT LIST

(October 7, 2020)

I. Introduction

The Public Representative hereby provides comments pursuant to the Commission's notice initiating these dockets.¹ In this notice, the Commission established the above referenced docket to consider matters from interested persons, including the undersigned Public Representative, on the Postal Service's intent to add Priority Mail Open and Distribute and change the prices offered under Contract 533.² To support its Notice, the Postal Service filed redacted financial workpapers. Unredacted version of all redacted documents were also filed separately under seal.

Previously, in Order No. 5128 the Commission approved the initial Priority Mail negotiated service agreement.³ The Existing Agreement as amended by Amendment 1 will become effective two business days following the day that the Commission completes its review. Notice at 1.

II. Comments

¹ Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings June 14, 2019.

² Request of the United States Postal Service to Add Priority Mail Open and Distribute to Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors' Decision, Contract, and Supporting Data, October 2, 2020 (Request).

³ Docket No. CP2019-168, Order No. 5128, Adding Priority Mail Contract 533 to the Competitive Product List, June 24, 2019

Pursuant to 39 U.S.C. § 3633(a), the Postal Service must demonstrate that competitive product rates (1) do not result in market dominant products subsidizing competitive products, (2) ensure that each competitive product covers its attributable costs; and (3) enable competitive products as a whole to cover an appropriate share of the institutional costs of the Postal Service.

After reviewing the Postal Service's Notice, the unredacted Existing Agreement, the unredacted version of Amendment 1, and the supporting financial workpapers filed under seal, the Public Representative finds that the amended Priority Mail & Priority Mail Open and Distribute Contract 533 product will continue to satisfy the cost coverage requirements set forth in 39 U.S.C. § 3633 over the next year. Finally, the Commission will have opportunities to review the revenue, cost and volume data for the amended Priority Mail & Priority Mail Open and Distribute Contract 533 in future Annual Compliance Determination proceedings. The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

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